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NPTA
MANAGEMENT NEWS

January **Highlights** 1984

Management News Celebrates 1984

The National Paper Trade Association has continuously published a monthly newsletter for its membership since January, 1959. 1984 marks the silver anniversary of *Management News*. For 24 of its 25 years, this publication was named *Current*. It was redesigned and renamed in 1983, but continues its long tradition of providing the paper distribution industry with up-to-date management information.

Three Firms Join NPTA

Marfred Paper, NORCO Paper, and U.S. Distributors have joined NPTA. The directors, staff, and members welcome them aboard. (P. 2)

Bar Coding Is On The Way

The American Paper Institute report on bar coding sets forth voluntary guidelines for the manufacturers of printing and writing papers. (P. 4)

NPTA Enters The Video Revolution

The use of video tape in training has become widespread. NPTA will produce training materials in this medium. (P. 6)

Economic And Industry Forecasts For 1984

Will 1984 meet your expectation? Will the recovery peak and trend down or continue strong? NPTA reports on economic factors which will affect your business this year. (P. 8)

Year-End Legislative Wrap-Up

The American Paper Institute reviewed legislative activities which have affected the paper industry in 1983. (p. 15)

YEF Chairman Thanks All

The retiring chairman of the Young Executives Forum Steering Committee, Art Wienke, thanks all young executives for their support. (P. 16)

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News of Paper Trade Activities

NPTA Welcomes New Members

Congratulations and welcome aboard to these fine distributors:

marfred paper co. inc.

Marfred Paper Co.
(Industrial)
12154 Montague Street
Pacoima, CA 91331
213-896-0550
Marvin Fenster, President

NÓRCO PAPER COMPANY

NORCO Paper Co.
(Printing)
973 66th Avenue
Oakland, CA 94621
415-638-0460
Norman T. Bushberg, President

DISTRIBUTORS

U.S. Distributors
(Industrial)
516 McGregor Avenue NW
Canton, OH 44703
216-456-2056
Steve Baker, President

People In The News

Mead Merchants announced the retirement of **Gordon J. "Gordy" Grunditz.** He was one of the founders of Bermingham & Prosser, MN. **Lawrence A. Schaefer** was named vice president and general manager of the company's St. Louis operation.

Lyle Champion has been appointed division manager of the Greenville, SC office of the Henley Paper Company.

Inlander-Steindler Paper Company has named **Randy L. Murray** to the position of corporate director of credit administration.

Jerral D. Blair was appointed by Nationwide Papers to manage their Ft. Worth, TX branch.

Butler Paper has named **Dick Oppenheim** branch manager of the company's Joplin, MD operation.

Edwin J. Turnquist has announced his retirement from Turnquist Paper Company, Minneapolis, MN. He was president of the company, and began working with his father, E.O. Turnquist, in 1950 when the company was known as the Minnesota Paper and Cordage Company.

Dennis L. Wheeler has been named sales manager of the Seattle Division of the West Coast Paper Company

Dillard Paper Company, Greensboro, NC, has named **Charles S. (Sparky) Walter** as sales promotion manager of the company.

David P. Sparks has been named vice president and general manager of the George Wilcox Co. which owns and operates the Wilcox Paper Company of Syracuse, NY.

Herb Cross, general manager of Seneca Paper-Syracuse Division, has been named a corporate vice president. **Larry Kicinski**, general manager of Seneca Paper, Binghamton Division has been named division vice president.

The industry mourns the loss of **Frank Leslie, Jr.** who was the retired chairman of the Leslie Paper Company. He was president of NPTA 1965-66.

Peter H. Vogel, Jr. has been named vice president administration for the Fine Paper Division of the Mead Corporation.

The Union Camp Corporation has announced that **Peter J. McLaughlin** has been elected to succeed **Alexander Calder, Jr.** as chairman. Mr. McLaughlin retains his post as chief executive.

Canover Industries, Maspeth, NY, has appointed **Bruce Socolow** as product manager, sanitary and maintenance supplies.

Nicholas R. Marcalus was named president of Marcal paper Mills, and **Robert L. Marcalus, Jr.** was named executive vice president.

Gordon W. Moran has been named president and chief operating officer of Hollingworth & Vose.

Zellerbach To Sell Computer Supplies

The Crown Zellerbach Corporation announced it will sell computer and word-processing supplies. The new company will be known as Eczel Corporation, and, in addition to the existing CZ distribution network, warehouses will be set up in Chicago, Boston, New York, Philadelphia, Washington, DC, and Detroit.

Senior VP at Crown Zellerbach, Allan G. Resnick will serve as president of Eczel.

Industry projections show sales of computer and word-processing supplies will jump from $200 million in 1983 to $1.2 billion by 1990. Sale of floppy disks should go from $750 million now to $11 billion in seven years.

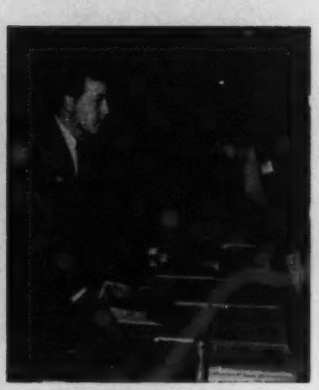
World Paper Companies Report

The Performance of World Pulp & Paper Companies is a series of reports published annually by Scandinavian Pulp & Paper Reports of Oslo, Norway. The series covers three areas: Scandinavia, Europe, Canada, and the United States. Each report is 80-130 pages of concentrated information, and all together, covers 100 leading pulp and paper companies.

The reports are $130 each, all four are $390. Anyone interested in purchasing a report may place an order through the NPTA Communications Department.

Celebrations...

Blake, Moffitt & Towne, the West's oldest paper distributor, celebrated the 100th anniversary of its Portland operation on November 16. More than 1,000 customers, suppliers and employees attended the event officiated by Oregon's Governor Victor Atiyeh.



BM&T Celebrates

The Sheridan-Clayton Paper Company, of St. Joseph, MO, celebrates 1984 as the 100th anniversary of its founding.

The Paper Trade Association of Philadephia celebrates its 80th anniversary this year. The Association currently has 36 member firms and is an active organization.

Mead Withdraws From Ink-Jet Printing Business

The Mead Corporation announced it has reached an agreement with Eastman Kodak to sell Mead Digital Systems to Kodak for an undisclosed sum. Mead wants to concentrate its efforts on electronic publishing and the forest products business.

Interstate Container Stops Edison NJ Operation

The corrugated container plant which began operation in 1972 employed more than 170 people. Interstate reported that the plant was no longer economical to operate.

A "Paper River" In New York

300,000 crumpled newspapers turned a Manhattan street into a "Paper River." "Art," as it was called by its German creator, cost $500,000 to produce. 100 German visitors each paid $3,000 for a weekend in New York to witness the event. A total 150 invited guests arrived in 26 limousines.

88 high school students earned $40 each when five moving vans containing the old copies of the *New York Times* were emptied. No mention was made of the clean-up.

Hill & Markes In The News

Paper distribution in the Albany, NY market came to the public's attention when an article on Hill & Markes appeared in the *Albany Times Union* on November 13. Hill & Markes with 30 employees and a 30,000 square-foot warehouse serves a 150 mile radius of the state capital.

The family owned business was founded 78 years ago and then purchased by the Finkle's in 1945. The company is an NPTA trial member.

Wilcox Buys Bil-Mar

The Wilcox Corporation of Syracuse, NY has acquired Bil-Mar Maintenance Supply, Inc., also of Syracuse. Bil-Mar has been merged into the Wilcox organization and will operate as a division of the company.

Robert J. Reid, former owner of Bil-Mar, has been named vice president of the Wilcox corporation and will serve as the sales manager of the Bil-Mar Division. William J. Miller, the other former owner, will become general manager of the new division.

Ris Begins International Unit

The Ris Paper Company, headquartered in Garden City, NY, has just established a new unit: Garden City Paper International. It is now overseeing the sale of over 120 tons of Bowater premium-coated papers per week.

Herbert Lieber, President of L&L Paper was instrumental in forging Ris' relationship with Bowater, the Scottish-based mill. He joined Ris on September 1 as the division's general manager. MN

NPTA

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MERCHANT BRIEFINGS

PRINTING PAPER

BAR CODING IS ON THE WAY. The American Paper Institute has just published a report titled "Bar Coding—Suggested Voluntary Guidelines for Printing-Writing Papers and Newsprint." It was prepared by a special study committee of API members. The issue of coding paper products has come under close examination as a result of efforts in other commodity lines, and the need to improve efficiency in the ordering and handling of paper.

Why are "Voluntary" Guidelines Needed?

Many paper users and paper companies have taken steps to utilize bar code information in their operations. It is important, says API, that all mill customers and customer groups do not unintentionally adopt a bar coding system that may be incompatible with generally recognized, desired procedures. The purpose of the guidelines, then, is to permit each paper manufacturer to identify its products using its own grade code and still permit a merchant purchasing from many companies to decipher the codes received.

The Code System

The bar code itself is called the "3 of 9" symbology and is a series of lines (bars) and spaces: 5 bars and 4 spaces.

These 9 elements are used to define an alphanumeric character. It is based on a binary system of coding which gives a wide bar or space the value "1," and a narrow bar or space the value "0."

An alphanumeric coding system provides much greater scope and flexibility than numeric coding alone, says API. The reason is that a two character numeric code may be used to define 100 different items, while a two character 3 of 9 code can be used to identify over 1,500 items.

The data set for the 43 character alphanumeric system contains: **0-9, A-Z, -, ., $, 1, +, %,** and **space.**

Code Configuration

By using this system of bars and spaces (similar to that fashioned by Samuel F.B. Morse—a series of dots and dashes which translated into letters and numbers), a scanner can "read" the printed information. The pattern below shows how this works.

Identification

A two-character code that identifies the paper manufacturer will appear first. The company code will permit the merchant's computer to identify the shipper and then decode the product information which follows. API has assigned the identifying codes of paper manufacturers.

The product information which follows the company code may be established by each manufacturer individually. Human readable information should appear above or below the encoded characters.

More Information Available

The report of the American Paper Institute provides more detail concerning the specification of proper code design and printing. Their information is patterned after the American National Standards Specifications for Bar Code Symbols on Transport Packages and Unit Loads (ANSI MH10.X-1981). The complete API report, "Bar Coding Suggested Voluntary Guidelines for Printing-Writing papers and Newsprint," is available to NPTA members at no charge. Contact James L. Hutchison, Vice President, Paper Group, American Paper Institute, 260 Madison Avenue, New York, New York 10016.

Code Configuration

CHAR.	PATTERN	BARS	SPACES
1		10001	0100
2		01001	0100
3		11000	0100
4		00101	0100
5		10100	0100
A		10001	0010
B		01001	0010
C		11000	0010
D		00101	0010
E		10100	0010

INDUSTRIAL PAPER

LEARN FROM OTHERS. Sometimes its valuable to see what people are doing in other industrial wholesaling companies. Maybe an idea will pop out that will help your business.

TELEPHONE SELLING OF FOOD SUPPLIES: The Food Industry Supply Association (FISA) reports that by 1990, 50% of the average wholesale distributor's sale force will be inside salespeople. This is a great increase from the 30% in place in 1980.

They say that many firms are using telemarketing successfully with marginal and dormant accounts. For a program to be effective FISA points out, it requires commitment from top management. Salespeople must know their product lines thoroughly as well as inside selling techniques.

A secret FISA members have found is the coordination of telemarketing with direct mail. Some send the account a picture of the inside rep who handles their account to make the relationship more personal.

WRITE-OFF BAD DEBTS IN ADVANCE. The Wine and Spirits Wholesalers of America (WSWA) reports that anticipated bad debts may be deducted before they happen. Robert Feinschreiber reports in the Association's newsletter that a "bad debt reserve" account may be created.

The bad debt reserve is an additional tax deduction over and above the regular charge-off for uncollected accounts. For most companies, the accrual method states that income is earned when the sale is made and thus a receivable is created. A bad debt deduction is available only if your sales are included as income.

When a company uses the reserve method, it makes an addition to the reserve. Receivables are charged against the reserve in the year they become worthless. As the end of the year, the company can reinstate the reserve and deduct its additions to the reserve.

For most details, check with your accountant.

ST REGIS REORGANIZATION. The impact of changes taking place at St. Regis are being noted by those in and out of the paper industry. A recent feature in *Sales & Marketing Management* magazine (October 10, 1983) showed the effects of the creation of autonomous business units in the corporation's bag packaging operation.

St. Regis' Frank Maurer, southeastern regional sales manager, points out that as the market got tougher and competitors grew more aggressive, "we had to get answers on bids fast. We couldn't do this as well as our competitors. We were too big; there were too many layers of management. Any pricing decision went all the way to the top, and that was many layers away. Now we can get answers a lot faster, often within 24 hours," he said.

The reorganization made some important changes to the operation of the company. Bag Packaging and Consumer Products were united. Five autonomous units were created in this division, which include: (1) Consumer Goods - school, home, and office supply products (they sold off their less profitable disposable plates and cups business); (2) Retail Packaging - grocery bags; (3) Specialty Packaging - stretch film, semibulk containers; (4) Multiwall East, and (5) Multiwall West. The last two units, taken as a whole, are the largest part of the new division at $300 million out of a total corporate sales of $2.6 billion.

RECYCLE OR BURN? That's always the question that arises when industry people and those who administer local goverments talk about waste paper. The Solid Waste Council of the Paper Industry just published a handy eight page brochure titled "Waste Paper-Recycle or Burn?"

The brochure highlights the results of the extensive study done by Franklin Associates for the Council. The study projects that between 1980 and the year 2000, the amount of solid waste burned in waste-to-energy plants will have increased 10 to 14 times. Paper comprises about 30% of total municipal solid waste by weight. If paper for recycling was removed, there would only a 7% decrease in the waste-to-energy plant's output.

The full report, *Waste Paper—The Future of a Resource, 1980-2000* (245 pages), is available through the NPTA Communications Department at $7.00. Free copies of the descriptive brochure "Waste Paper—Recycle or Burn?" are also available. These make a good meeting handout.

OUTLOOK FOR FAST FOOD EXCELLENT. As the economy has improved, so has fast food sales. New chains are springing up quickly which is no surprise. But experts say that after 1984, the challenge will be to increase market share rather than add new outlets.

Roger Lipton, managing director of Lipton research, sees growth in fast food concepts "that serve fresh baked goods, spicier meats and poultry, and fresh and eye-catching desserts."

Companies which experts target for growth include: McDonalds, Wendy's, Shoney's, Jerrico and Chi-Chi's.

NPTA Enters The Video Revolution

Video...enables people to visualize difficult concepts.

NPTA's Education and Training Department has interviewed dozens of training directors across the nation, and has found a general consensus with regard to the urgent need for inhouse training through the use of audio visual programs. Training that can be implemented by a company's marketing or sales manager can prove to be a rewarding experience for all. There are opportunities to upgrade professional standards and increase a company's profits.

The use of audio visuals instruction has now assumed a major role for content presentation—freeing the manager to concentrate on monitoring, tutoring and evaluating trainee performance. Paper merchants constantly tell this Department that audio visual communications can do much to achieve the "telling and showing" in compelling ways.

Objectives of the Program

In responding to this need, the Education and Training Department has pinpointed the following objectives in promoting its A/V inhouse training NPTA will:

- work to inform the paper distribution industry of the values and importance of using A/V material for their training.
- work to standardize the industry around a recommended format.
- keep members abreast of the latest programs available by constantly updating the catalog.
- encourage suppliers to produce new product knowledge programs.
- keep members informed about the production of A/V programs by suppliers.
- be a producer of audio-visual inhouse training material.

These objectives reflect the viewpoint that professionally trained people produce profitable results. With this comes the need for further product knowledge training as it relates to each merchant's product line. While managers must manage more efficiently, the sales force must increase its working knowledge and keep pace with the changes in the products it sells everyday.

Choosing A Format

The NPTA Education and Training Committee recognized that a viable state-of-the-art hardware system should be adopted as the industry-endorsed A/V training format. Whatever the choice, the new format had to offer the highest possible program quality, have flexibility for present and future applications and be cost competitive.

The final choice was ½" VHS videotape. Dozens of members were surveyed; the views of Bill Ochsner, president, National Paper Company in Omaha, Nebraska were reflective of all: "We are deeply committed to attaining a high degree of professionalism here at National Paper Company. The chief importance of video programming has proven to be a most effective way of educating our people."

Paper Merchants in the Video Revolution

The revolution in video training is now upon us. Paper merchants have begun to realize that its applications are virtually limitless: to share messages from management (especially significant for multi-branch operations), to capture visualized sales meetings for training programs, to monitor performance of sales people.

Ms. Tim Bulmer, supervisor of training, Kent H. Landsberg & Company in Montebello, CA, sees video training as the "communicator of the 80s." To Ms. Bulmer, the advantages are many:

"Programs can be tailored to our type of distribution. For instance, the video coverage of a flowable installation certainly is more informative than a brochure.

"Video cassettes are easy to distribute to other divisions.

Employees can check programs out of the library for viewing at home.

"Younger employees are programmed to watch the 'Big Eye.' They relate to the faster pace of video."

With video married to the computer, Ms. Bulmer believes in the full potential of this technological revolution. She states that through the computer, we have unlimited possibilities—interactive video, computer generated graphics and teleconferencing.

Many merchants have found that feedback from group dynamics sessions as sales training role playing, is especially useful because of its instant replay capabilities for speech/sales/instructor role playing and self-critique.

The range and applicability of video potential is illustrated in the following comments made by Richard Mignano, Vice President Sales and Marketing of Inlander-Steindler Paper Company. "We have found several great benefits in the use of the VCR at ISP. First and foremost, in the area of sales training, it has been very effective for role playing. We have found that role plays are a very useful means of demonstrating the strengths and weaknesses of our new and experienced sales personnel's selling performance.

"It provides a most graphic demonstration of not only the use of selling skills, but a salesman's mannerisms, energy level, responsiveness, listening skills, question-asking ability, etc. A sales trainer can spend a lot of time trying to get these ideas across, but when a salesman actually has the opportunity to see himself in action, the positive or negative reinforcement is immediate and is accepted.

"We also use video to show selling skills and motivational tapes available from various sources. As an example, during a recent training seminar, we showed several tapes on handling objections and closing techniques available through 3M Packaging Systems Division. With the VCR, we were able to transport the equipment very easily and plug into a television set at the meeting location.

"People today are so conditioned to watching television that they find this a refreshing break from the standard discussion-type meetings. Additionally, compared to the use of film or slide cassette programs, the presentation quality is excellent and the room lights stay on to compensate for any sleepy participants.

"Finally, the video allows us to tape corporate presentations and role plays on specific products that we are interested in promoting. These tapes can then be sent to any of our branches for easy viewing by local salesmen."

In addition to its many uses, the videotape can be stopped, freeze-framed and backed up. Today, thanks to new, compact, transistorized, portable videotape units, the amazing flexibility and adaptability of this training tool is available for ever-decreasing costs. Videotape equipment records television pictures and sound on magnetic tape, much in the manner that a conventional audiotape recorder records sound.

It must be remembered that videotape recording is an excellent means of extending our ability to communicate. This technology involves the skill and imagination of the communicators behind the camera, which results in a training program that can bring a positive learning experience to your people.

Chris Strassburger, director of management development, Distribix in Florissant, MO, recently stated, "We feel the use of video will become increasingly important in all of our future training requirements as we continue to grow. We see video being used for every type of training, ranging from sales to operations. More companies are accepting video as a medium for learning because it can speed up training and can be inexpensive if used properly.

"Presently, with our numerous inhouse training sessions, we use video not only as a part of the course materials, but also as a complement to the session, to help convey a short message that reinforces the overall theme.

"We think a few of the added values and benefits you receive from video are: it enables people to visualize difficult concepts; it can teach complex subjects more clearly and faster; and it communicates uniformly and efficiently. It can put a face behind a memo."

Conclusion

As NPTA moves into the video revolution, member companies will be asked to suggest programming ideas to the Education and Training Committee. 1984 will see NPTA begin to make programs in the ½" VHS video format available. You will be hearing a lot more about the use of video in training from NPTA. It is hoped that you will find the value in video tape as a training medium that others in the paper distribution industry already have found. MN

Education and Training Committee of the National Paper Trade Association

Mr. Dave Brizius, Chairman
Copco Papers Inc.

Mr. Richard Mignano
Inlander-Steindler Paper Co.

Mr. William G. Ochsner
National Paper Company

Mr. Lawrence Rauppius
B. W. Wilson Paper Co.

Dr. Ben Scott
Century Papers Inc.

Mr. Allan Thomas
Alling & Cory

Mr. Michael Warren
Zellerbach Paper Company

Expectation And Forecasts For 1984

High interest rates and the mounting Federal deficit could not stop the "Great American Recovery Machine" as it steamrolled through 1983. Although economists originally predicted 3 to 3.5 percent economic growth, real growth racked-up 6.5 percent since the recovery began at the outset of last year.

A "Normal" Recovery

Some say that the recession (from which we are all now recovering) was the worst since the thirties. The actual recovery, on the other hand, says Winston Williams in the *New York Times*, "has been remarkably average." In his article of November 20, 1983 titled "A Classic Recovery, After All," he points to four reasons why the recovery has been so normal:

1. **It is broadly based.** 81% of the country's 186 industries are expanding.
2. **Unemployment is behaving.** Although high, it has dropped two points in 1983.
3. **Industrial production is up.** The six previous post-war recoveries followed the same trend.
4. **Consumer spending is on the move.** It started strong, slowed in the summer, and will prove to be the strongest Christmas season in years.

Recovery In The Paper Industry

The paper industry tracked along the same path as the economy. 1982 saw mill operating rates sink to 84.6 percent in linerboard output, for example. Norma Pace, senior vice president of the American Paper Institute, was recently quoted in a *Wall Street Journal* article where she pointed to current operating rates of 96 percent for linerboard and 95 percent for printing and writing papers. Operating rates, in general, are rebounding to pre-recession levels.

But that is not the whole story. Merchant activity which also has closely followed the changes in the economy has shown a bit more lag. Sales of both industrial paper products and printing papers by distributors began their up-swing in February of 1983. Sales for industrial paper is running 8.9% ahead of a year ago, and printing paper is showing a gain of 16.5% from the year before.

What Can Paper Distributors Expect in '84?

NPTA conducted a survey of member companies. The questionnaire included in the November issue of *Management News* yielded 72 responses from all geographic areas of the country and all paper distributor types. (The analysis which follows is not necessarily indicative of the opinions of the entire industry. These results are presented in the hope that they show industry movement and direction.)

Profit Improvement

Survey respondents were asked about their 1983 profit improvement. **Dual** paper distributors were the most optimistic. 58% of them expected the year to show a 20% or greater increase in profits, versus 24% for **printing** paper and 21% for **industrial** merchants. Also, 67% of **printing** and **industrial** distributors expected gains to be in the 15% or less range.

Those surveyed projected profit improvement for 1984. **Printing** paper distributors were the most optimistic in this case. One-third expect a 20% or better increase in 1984 profits, compared with 24% for **dual** merchants. A total of 80% of **dual** distributors were the most optimistic in this case. One-third expect a 20% or **printing** and 48% for the **industrial** group.

Cost of Goods Purchased from Suppliers

For 1983, 75% of **industrial** merchants expect that year-end figures will show a 3-7% rise in the cost of goods from suppliers. 57% of **printing** paper distributors and 54% of **dual** merchants agreed with the 3-7% rise. A significantly lower percentage of **industrial** distributors believed that cost increases would be in the range of 7-10% or better.

Projections for 1984 reported that 70% of all three groups expect the cost of goods from supliers to rise 5-10% or more. This may reflect experience with past recoveries. Generally, as the recovery progresses, inflation and therefore the cost of most goods tend to heat up.

Personnel Costs

The majority of respondents (57-64%) in all groups expect that 1983 will show a personnel cost increase of 5-10%. Roughly, one-third of all respondents expected the year to close with under a 5% increase in personnel cost, but the bulk of all those responding chose the 5-7% range.

For 1984, roughly two-thirds of those surveyed (68-76%) in all groups project costs rise 5-10% with most expecting increases of 5-7%. Few paper merchants expect personnel costs to rise 10% or more, no doubt believing that inflation will be under control in relation to several years ago when employee wage demands were up to keep pace with the advancing cost of living.

Fringe Benefits

About half of all respondents expected that 1983 would show a rise of 5% or less in employee fringe benefits. One-third of **printing** and **dual** merchants expected fringes to have risen in the 5-10% range, while only 17% of **industrial** merchants selected that range. A significantly higher percentage of **industrial** distributors felt 1983 would show fringes running at a 10-15% increase.

The overwhelming majority (84%) of **dual** distributors expect that fringe benefit increases in 1984 will be 7% or less, versus 76% of **printing** and 65% of **industrial**.

Announced Capacity Expansion For U.S. Paper Mills

Grade	Annual Capacity (Thousands short tons)	Proposed Start-up	Company & Location
Coated Groundwood	200	1982	Mead Corporation Escanaba, MI
Coated Groundwood	170	1982	St. Regis Corporation Sartell, MN
Coated Groundwood	175	1982	Weyerhaeuser Company Columbus, MS
Coated Free Sheet	200	1983	Scott Paper Company Skowhegan, ME
Uncoated Free Sheet	150	1983	Champion International Corporation Courtland, AL
Uncoated Free Sheet	160	1984	Crown Zellerbach Corporation Camas, WA
Uncoated Free Sheet	350	1984-1985	International Paper Company Southern U.S.
Uncoated Free Sheet	215	1984	Union Camp Corporation Eastover, SC
Cotton Fiber	3	1982	Portals Limited Hawkinsville, GA
Tissue	N.A.	1984	Fort Howard Paper Company Green Bay, WI
Tissue	N.A.	1985-1986	Fort Howard Paper Company Muskogee, OK
Tissue	14	1984	Tagsons Paper Incorporated Mechanicville, NY
Tissue	65	1982	Wisconsin Tissue Mills Incorporated Menasha, WI
Unbleached Kraft Linerboard	280	1985	Independent Kraft Corporation Tuscaloosa, AL
Unbleached Kraft Linerboard	200	1982	Weyerhaeuser Company Valliant, OK

N.A.—Not available
Source—American Paper Institute

Mill Capacity Is On The Rise

API reports that in 1982 545,000 tons of additional coated groundwood capacity has been put on line. The recovery helped absorb some of this new product in 1983. Also, last year saw an additional 350,000 short tons of capacity added in coated and uncoated free sheet.

Projected for 1984-85 is the start-up of 725,000 tons of uncoated free sheet paper.

Trends—Printing and Writing Papers

This segment of the paper industry is experiencing faster growth than any other, reports the American Paper Institute. Net additions to capacity are averaging 2.8 % per year compared with the 1.9 % for all grades.

Trends—Kraft Packaging Papers

Mill capacity to produce both unbleached kraft paper and unbleached linerboard is difficult to estimate because of the mill's ability to swing from the production of one to the other. API sees a potential increase in linerboard production at the expense of kraft.

Trends—Tissue

In addition to new capacity, existing machines will be improved bringing total industry capacity to 5.5 million tons by 1985. This represents a 2.3 % increase in tissue output, ahead of the 1.9% industry average for expanded capacity.

Trends—Recycled Paperboard

Recycled paperboard will increase in output just under 1% annually, or about half the industry average for all types of paper. The industry's total output of this product will be over 9 million tons by 1986 compared with just over 17 million tons of unbleached kraft linerboard.

Unguarded Optimism In The Restaurant Business

Industrial paper distributors carrying fast food disposables should know that restaurant business in 1984 is creating "an ideal climate for the away-from-home eating industry," says Jim Peterson, president and CEO of Whataburger.

His comments appeared as part of an industry survey conducted by *Restaurant Business* magazine and reported in their December, 1983 issue. The article, "The Presidents' Forecast" revealed unguarded optimism for 1984, and the outlook for the lodging/foodservice industry as "bright."

David Lane, vice president food and beverage management for Holiday Inns Hotel Group, stated that "opportunity for growth in 1984 will be in the casual fun-service, fun-food areas, especially bar/grill combination concepts."

All who were interviewed seemed to agree that in 1984 the consumer would become more important and would be less tolerant of poor food and service. Even the fast food chains will start regionalizing their menus to accommodate for local tastes. It seems that in 1984 the foodservice consumer will be in the driver's seat and the industry has recognized that fact.

Expectations...

A recent Printing Industries of America (PIA) report stated that "The #1 force expected to have an impact on the printing industry between now and 1990 is electronics in the printing process."

Laser copiers will enter the marketplace in 1984 and will be revolutionary.

Home use of paper will increase in 1984 as home computers and copiers grow in numbers.

Service companies in 1984 will pay more attention to their names and logos to strengthen company image. A New York marketing firm survey showed that the service sector will improve its corporate image in 1984.

Paper shredders are making a comeback. Although hurt by Watergate and the EPA scandals, TV campaigns will boost sales from $2 million in 1972 to over $70 million.

Aseptic packaging will be "big" in the USA next year as it already is in Europe and Japan. A DuPont study revealed that aseptic one-liter cartons cost about half that of glass or steel.

Did Anyone Ask About 1985?

While everyone is looking to a continued economic recovery during 1984, few are considering 1985. The farthest people will look is November and the presidential election. It is clear, economists agree, that no one in the present administration will do anything to derail the recovery in 1984.

But 1985 may have a different tale to tell if present signs continue. The National Association of Business Economists reports that they see the recovery peaking in 1985 unless Federal budget deficits can be cut sharply.

Otto Eckstein, chairman of the forecasting firm Data Resources Inc., "has peered into his crystal ball," says the *New York Times*, and he has come up with a scenario: 1985 will be "a can of worms."

He sees a lot of trouble in 1985 business based on the mounting deficit that "just won't go away...the Fed will be throwing its weight around and Wall Street will be all upset," he said.

Specifically for 1985, Dr. Eckstein sees real growth in GNP as less than half of the 1983 levels, a lower number of housing starts, and lower labor productivity growth.

Print Outlook For '84 Is Encouraging Reports NPES Conference

Why do industry experts agree that 1984 will be a good year for the printing industry? The reasons involve the health of the economy in general and the trends in the printing industry at present.

"Print Outlook '84," the annual conference held by the National Printing Equipment and Supply Association, drew attendees from around the country to hear what's ahead for the printing trades. As reported by *Printing News* magazine, all signs at present are for a bullish 1984.

Orders for equipment in 1983 rose to $1.68 billion, a substantial increase over 1982. Projections now are that 1984 will increase those sales 22% to over $2 billion. 1985 may see an additional 9% hike.

The conference reviewed the various segments of the industry and revealed an interesting perspective on 1984:

Periodicals: Magazine publishing will continue its upward trend and show 4% real growth over 1983.

Book Publishing: Book sales in general are lagging, but computer-related books are selling well. 1984 should be the last year school enrollment will decline. "The numbers of students at all levels of education should begin increasing... with good results for text book sales—a key element of book publishing," stated *Printing News*.

Miscellaneous Publishing: Although publishing in other areas have shown a low growth rate, 1984 should see real growth at about 3.4%.

Commercial Printing: 1984 projections are for a 6% growth rate. Printers expect that the "stage of higher costs (for material and supplies) should be past now, and 1984 should be a good year for commercial printing firms," *Printing News* reported.

Business Forms: Real growth in this segment should be about 4.9%.

Expectations For the '84 Econony

Real GNP growth in 1984 is expected to be at about 4½% compared with the 5% increase in 1983. The unemployment rate should decline to about 8½%, says economist Michael Evans of Evans Economics.

"Inflation is bound to heat up, if only because of higher food prices in the aftermath of the drought. In fact, the consumer price index should increase about 5½% next year, or almost twice the rate that occurred in 1983," he said.

Spring may see the re-heating of the economy once again. Evans predicts that one of two events will occur: "Either the Fed will tighten up the money supply and raise interest rates...or it will let the money supply grow faster, thereby keeping the economy moving ahead smoothly throughout 1984—with the price to pay in 1985 and later years of much higher inflation." No one will throw the economy into reverse, Evans says, simply because of the 1984 election.

Chairman's Corner

LIONEL ELTIS
NPTA's Chairman of the Board

Management

One of the biggest complaints that I hear as I talk with paper merchants throughout the country is the mounting pressure of profit margins and difficulty in controlling salespeople. This is not unique to the wholesale paper business; it is a condition that exists with every merchant-wholesaler or retailer.

There is competition in every area of merchandising. As long as we are in business, we are going to find different people putting different values on the merchandise they sell. This is characteristic of the free enterprise system.

Paper merchants can do something about management problems that exist in their organizations. When I first started selling many years ago, the gentleman who ran our company believed in the principle that salespeople must follow management directives. The only way we could deviate was to get his personal permission and that wasn't easy.

It is up to owners and managers to determine individual company policies. Management must require salespeople to abide by those company policies.

As managers, we must teacn our salespeople how to sell, how to sell themselves first, how to sell the company next and how to sell the benefits of the products they are taking to market. Then we must teach them how to close those sales; how to ask for the order.

Naturally, prices are important but they are not everything. Until we believe these principles ourselves and inbue them in the people who are taking our products to market, we deserve what we get.

NPTA can help you become better managers. The PAR will give you guidelines and comparisons to help you determine what you need and how you are doing. The Education and Training Committee will develop seminars for you and help you train your sales forces.

It is our responsibility to determine what our merchandise is worth and we must be professional enough in bringing our products to market to achieve the goals we set for ourselves.

Good luck in the new year. MN

Calendar Of Events

January

22-24. Copier Industry: Winds of Change. Status and outlooks. Pier 66, Ft. Lauderdale, Fl. Contact Institute for Graphic Communications, 617-267-9425.

February

8. 80th Anniversary Banquet of the Paper Trade Association of Philadelphia held at the Philadelphia Airport Hilton Inn. Contact PTA at 215-564-3484.

9-10. Productive Marketing Management For Paper Wholesalers. An operationally efficient and effective approach to recapturing profitable sales growth. St. Louis, MO. Contact NPTA.

Sales and Time Management Training

Professional Selling Skills III (PSSIII) and Managing Time and Territory III (MTTIII) on-site training may be arranged on an individual company basis. Flexible time and pricing schedules are available. Contact the NPTA Education and Training Department.

The Manager's Notebook

Purchasing Managers Say Its Going To Be Better Next Year

By a 6-1 majority, purchasing managers are projecting that the first quarter of 1984 will be better than the last quarter of 1983. Their optimism is not as great for the second half of 1984. Only 56% of them say that the second half of 1984 will be better than the first half—continuing the upward trend.

The National Association of Purchasing Management said a record 89% of its members felt that 1984 will exceed 1983 levels of business activity. Their only worry is inflation. They see that as a potential problem later in the year.

Was George Orwell Right About 1984?

According to the magazine **The Futurist** *and its editor Edward Cornish, the answer is—No!*

"Orwell (the author of the famous novel **1984***) is so wrong as to be drummed out of the company of forecasters."*

Orwell was "nearly a complete failure" as a scientific forecaster of things to come, agrees economist Burnham P. Beckwith. Some say Orwell's purpose was to warn his countrymen against the serious risks of certain social politics. But many disagree.

The World Future Society, which publishes the magazine, has 30,000 members worldwide. They will meet in June to discuss opportunities and challenges for tomorrow in a meeting titled "WorldView '84." It will be a happy occasion to note that George Orwell was wrong about 1984.

Sales Increases Will Push Advertising Budgets Higher In 1984

Following projected sales increases of 19.6% in 1984, advertisers will be expected to spend 15% more in 1984 **The Gallagher Report** *of December 7, 1983 announced the results of their 22nd annual survey of industrial advertisers.*

Setting the pace for expanded advertising was the automotive industry with a projected 40.5% surge. Office equipment was next at 38.3% followed by chemicals at 22%. Electronics will average a 21.5% increase in advertising expenditure the report stated. The Gallagher survey projects a 1.5% increase in total advertising and promotion in the paper industry.

Company catalogs, as an advertising medium, will increase at a lower rate than in 1984. Direct mail will pick up more steam next year.

Why Use Direct Mail Advertising?

The answer is simple: people look at it, read it, and respond to it. Are you sure? The Direct Marketing Association is; they reported the following in their Fact Book:

1. Sixty percent of executives surveyed preferred to hear about new office products through direct mail advertisements and announcements.

2. More than half of the 20 percent who found direct mail annoying **still** *wanted to receive it.*

3. Buyers responding to a Business Advertising Research Council survey said they scan at least three-quarters of the direct mail pieces they receive.

PAPER MERCHANT SALES REPORT

NOVEMBER, 1983

	NPTA REGIONS	SALES PER SELLING DAY NOVEMBER 1983 -COMPARED TO- NOVEMBER 1982	SALES PER SELLING DAY NOVEMBER 1983 -COMPARED TO- OCTOBER 1983	SALES PER SELLING DAY 1983 YEAR-TO-DATE -COMPARED TO- 1982 YEAR-TO-DATE	DAYS OUTSTANDING (ACCOUNTS AND NOTES) AT CLOSE OF NOVEMBER 1982	1983	CALENDAR DAYS' COST* OF ENDING OCTOBER INVENTORY 1982	1983
INDUSTRIAL	1	+ 6.8%	+11.3%	+ 5.0%	43	43	57	—
	2	+11.5%	+ 5.3%	+ 3.4%	36	35	43	50
	3	+33.7%	+ 5.8%	+ 8.6%	35	37	67	59
	4	+14.7%	+ 3.1%	+10.6%	33	35	53	51
	5	- 0.2%	+ 4.1%	+ 2.0%	33	34	63	55
	6	+14.7%	+12.2%	+ 5.1%	39	32	55	—
	7	+11.2%	+ 8.7%	+ 0.7%	37	38	62	—
	NY METRO	+16.2%	+10.0%	+ 9.7%	45	45	—	—
	CHICAGO METRO	+10.5%	- 1.4%	+11.8%	41	37	54	—
	LA METRO	+15.8%	+ 7.2%	+ 6.2%	42	46	62	50
	US	+16.1%	+ 6.1%	+ 6.5%	37	37	57	60
PRINTING	1	+40.2%	+19.7%	+16.1%	51	55	57	—
	2	+34.2%	+21.0%	+11.2%	46	47	60	61
	3	+36.8%	+ 1.9%	+15.2%	44	44	74	73
	4	+24.2%	- 1.0%	+10.6%	43	44	64	67
	5	+29.7%	+ 6.3%	+12.9%	42	44	69	70
	6	+11.4%	+ 3.6%	+ 6.4%	41	48	57	—
	7	+10.5%	- 7.3%	+ 1.8%	40	41	66	79
	NY METRO	+31.3%	+ 8.5%	+13.8%	46	44	67	—
	CHICAGO METRO	+35.2%	+ 3.8%	+13.2%	42	43	62	—
	LA METRO	+35.9%	+ 7.2%	+16.9%	37	39	78	68
	US	+29.9%	+ 6.4%	+11.9%	43	46	65	59

*TO CALCULATE MONTHLY INVENTORY TURNOVER, DIVIDE 365 CALENDAR DAYS BY # OF CALENDAR DAYS COST, EG, 365/73 = 5.00x.

Region 1 CT, ME, MA, NH, RI & VT
Region 2 DE, DC, MD, NJ, NY & PA (excluding NY Metro)
Region 3 AL, FL, GA, NC, SC; TN & VA
Region 4 IL, IN, KY, MI, MO, OH, WV & WI (excluding Chicago Metro)
Region 5 CO, IA, KS, MN, MT, NE, ND SD, WY
Region 6 AK, AZ, CA, HI, ID, NV, NM, OR, UT & WA (excluding LA Metro)
Region 7 AR, LA, MS, OK & TX

NY Metro: NY: New York City, Long Island and Westchester Co.
NJ: Counties of Bergen, Essex, Hudson, Middlesex, Passaic and Union

Chicago Metro: IL: City of Chicago and Cook, DuPage and Lake Cos.
IN: Lake Co.

LA Metro: Cities: Los Angeles, and San Diego
Counties: Los Angeles, San Diego, Orange and Ventura (and neighboring parts of Riverside and San Bernadino)

Selling Days

The actual number of days a firm was open for business or that the sales people made customer calls [calendar days less weekends (if applicable) and holidays]. By supplying selling days of each firm, the sales per selling day are standardized according to actual business conditions or company policies.

Days Outstanding

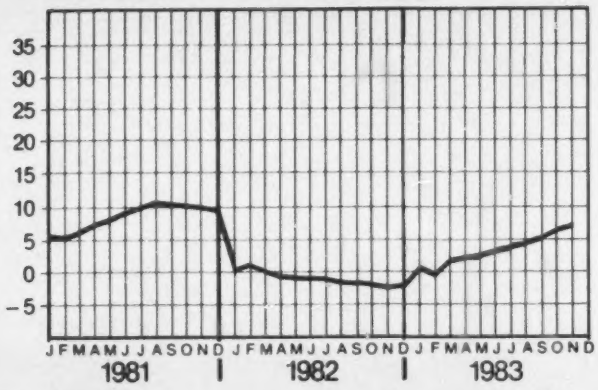
The number of days outstanding on this report are calculated by adding the current month's sales and the previous month's sales and dividing the total by the number of calendar days of the two months. The result is a figure representing average sales per calendar day.

The total figure provided for closing accounts and notes receivable is divided by the average sales per calendar day. The result is the number of days outstanding at the end of the month being prepared.

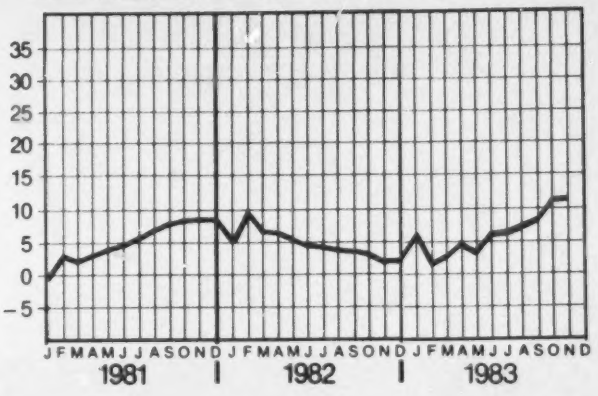
Paper Merchant Sales Report
Summary National Trend Information: 1981 to present

SALES INFORMATION: YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY.

INDUSTRIAL PAPER SALES NATIONALLY

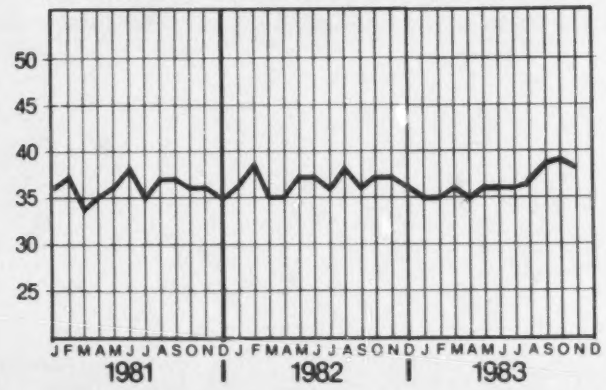


PRINTING PAPER SALES NATIONALLY

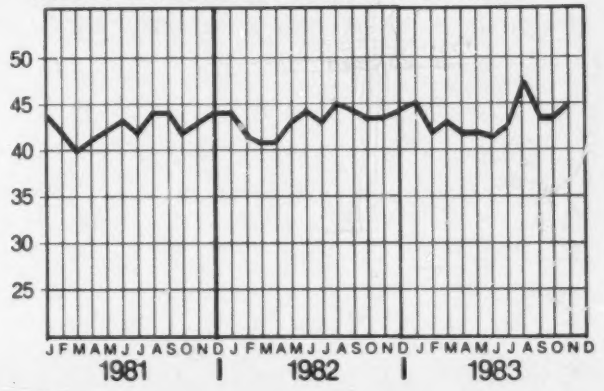


RECEIVABLES INFORMATION: DAYS OUTSTANDING FOR ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY

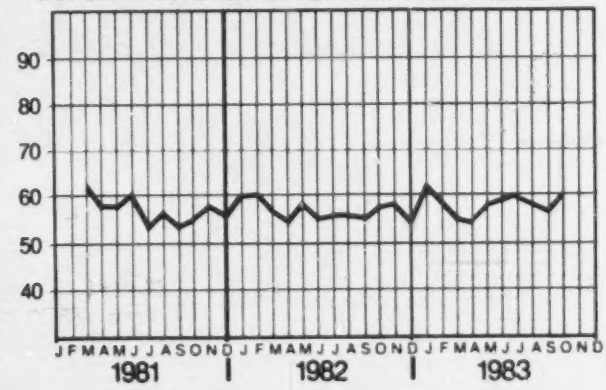


PRINTING PAPER RECEIVABLES NATIONALLY

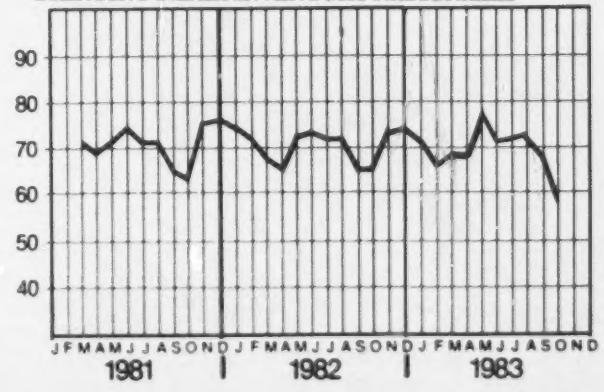


INVENTORY INFORMATION: CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



WASHINGTON WATCH

API Reports Year-End Wrap-Up Of Legislative Action

ISSUE	HOUSE	SENATE	OUTLOOK	API POSITION
CARGO RESERVATION Would mandate a percentage of bulk imports and exports be carried in U.S. ships.	HR 1242 (Boggs) approved by Merchant Marine Subcommittee 6/29	S 1624 (Trible) principal bill introduced. Hearings held 9/27 and 9/29 by Merchant Marine Subcommittee.	Passage unlikely.	Opposes.
CLEAN AIR ACT AMENDMENTS Would amend 1977 Clean Air Act.	Acid Rain bills introduced—HR 132 (Gregg), HR 1405 (Rahall), HR 3400 (Sikorski), HR 4404 (Conte).	Acid Rain bills introduced—S 454 (Byrd), S 145 (Mitchell), S 769 (Stafford), S 766 (Randolph), S 2001 (Durenberger). Comprehensive amendments introduced—S 768 (Stafford). Hearings began 11/15.	Passage possible in 1984.	Supports constructive amendments to the Clean Air Act.
ILLINOIS BRICK Would allow indirect purchasers to sue for antitrust damages.	HR 2244 (Howard) introduced. Subcommittee hearings held on broad range of antitrust issues.	S 915 (Gorton) introduced; hearings held on 6/8.	Additional Senate hearings schedule unclear.	Opposes.
MUNICIPAL ACTION EXEMPTION Would grant certain immunity from antitrust laws to local governments.	HR 2981 (Hyde), HR 3361 (Fish), HR 3688 (D. Edwards) introduced.	S 1578 (Thurmond) introduced.	Hearings likely.	Supports inclusion of language to protect recycling interests.
PORT USER FEES Would require users to pay certain port costs.	Port user fee bills introduced—HR 1512 (Biaggi), HR 2406 (Matsui); hearing held 4/21.	Port user fee bills introduced—S 865 (Hatfield), S 970 (Moynihan); hearings held in June.	Unclear.	Supports port user fee legislation; specific bills now under review.
PRODUCT LIABILITY Would create a national product liability law.	HR 2729 (Shumway) introduced.	S 44 (Kasten) withdrawn from markup by sponsor until later date. New compromise version being circulated.	Unclear.	Under review.
RESOURCE CONSERVATION AND RECOVERY ACT (RCRA) Would amend portions of the current act dealing with hazardous wastes.	Passed House 11/3.	Amended version of S 757 (Chafee) passed Environment and Public Works 7/28.	Passage likely in 1984.	Supports modifications to HR 2867 & S 757.
SUPERFUND Would amend the Comprehensive Emergency Response, Cleanup and Liability Act (CERCLA).	HR 2503 (Wyden) 4416 (Green) introduced. Hearings began 11/10.	S 816 (Bradley), S 860 (Hart) introduced.	Passage likely in 1984.	Under review.

Source: American Paper Institute

ASSOCIATION File

Young Executives Forum

By Art Wienke
Vice President, Sales & Marketing
The Paper Company
Sioux Falls, SD

Time...the passing of, the lack of, the need for. We have all been victimized by time at one "time" or another. Dr. Merrill E. Douglass speaking at the Young Executives Forum in New York City during the convention helped to point out some time wasters we all encounter during our work days. His statistics of time are quite interesting. As an example, an executive gets interrupted on average 6-9 times per hour...Time Wasters! Dr. Douglass' seminar was very well attended, we even had some "older" Young Exec's in attendance, we appreciate the support!

Time has done something else—it has run out on my tenure as Chairman of the Steering Committee of the Young Executives Forum. I must now join the ranks of "The 39er's," destined never to be "young" again. Mr. Jon Bloom of JB Papers has very capably assumed Chairmanship of the Steering Committee for the coming year and will do a fine job.

As I look back on my tour of duty, I see the Steering Committee and Alumni Chairmen Meeting in Dallas to regroup and reorganize the YEF. That meeting was very good and gave birth to the YEF's interest in education. As a result, I served on the Ad Hoc Committee to research what university programs are available for use thru NPTA. That program is on going and will become an important NPTA offering to its members.

Time...it has moved much too rapidly for me this year as Chairman. It has also been spent most enjoyably working with the YEF Steering Committee and the NPTA staff, thanks!

Positions Wanted

(Resumes on request from the NPTA Communications Department.)

Individual with retail and retail packaging experience seeks a position in the paper industry. Specific interest lies in purchasing or customer service department.

Aggressive, knowledgeable manager with over 20 years management and ownership experience in industrial paper distribution seeks new challenge. Wishes to stay in California, but will consider relocating for the right opportunity.

Computer Conference A Success

The NPTA "Trends in Paper Distribution Computerization Conference" held on November 15-17 in Houston proved to be a resounding success. Developed through membership interest, this industry-first was an extensive and interactive program of workshops highlighted by a hardware and software exposition.

First-time and sophisticated users felt each of the fifteen workshop sessions provided an excellent introduction to the key issues of installing and managing a computerized operation. Customized for the needs of wholesale paper distributors, participants upgraded their understanding of the computer field vis-a-vis system design, financial and marketing management, inventory control, information networking, multi-branch applications, and more.

NPTA's Education and Training Department is committed to providing quality programs in computerization in 1984. To assist us in this program development, we encourage you to bring your suggestions for topics of interest to us by contacting Bruce H. Linden at 516-829-3070.

NPTA
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NPTA MANAGEMENT NEWS

February **Highlights** 1984

Firm joins NPTA

Congratulations and best wishes to the Penn Valley Chemical Company of Lansdale, PA which is the newest member of the Association. (P.2)

Dillard contributes $100,000 to printing group

John Dillard, president of Dillard Paper Company, presented a check for $100,000 to the newly formed Virginia Printing Foundation. (P.2)

Study finds magazines to continue to grow

A joint study between PIA and Strategic Futures, Inc. has found optimism in the magazine printing and publishing business through 1988. (P.4)

Sales success

Selling *can* be learned. What are the characteristics of the successful sales rep, and how can he or she be managed effectively? (P.6)

How to collect overdue bills by phone

Telephone collecting is an art. There is much more to it than dialing a customer. Here is a complete "how to" guide. (P.8)

NPTA brings aboard new directors

The Association has added a new position - that of Director of Marketing Membership Services. Richard J. Lerman was appointed to that position, John S. LaRosa was named Director of Research. (P.9)

Paper industry and wholesalers pay highest tax rate

The national average may be 16 percent, but the paper industry and wholesalers in general pay 36.1 percent. (P.15)

One resource for all on wholesaling

A comprehensive, 500+ page "Database" has been published by the Distribution Research and Education Foundation and is available to *Management News* readers. (P.16)

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Route To:

NATIONAL PAPER TRADE ASSOCIATION, inc.

News of Paper Trade Activities

Penn Valley Chemical Company Joins NPTA

Congratulations and welcome aboard to Penn Valley Chemical. The company was established in 1968 and operates a 37,000 square foot warehouse at Penn St. and Krieble Ave. in Lansdale, PA.

The industrial distribution company has 16 employees. The president of the organization is G.F. O'Brien and James J. Hanratty is the vice president.

All wish them much success in 1984.

Dillard Contributes $100,000 to Virginia Printing Foundation

A check for $100,000 from John Dillard, president of Dillard Paper Company, marked the initial investment in the Virginia Printing Foundation. The new organization is sponsored by Printing Industries of the Virginias.

The organization's purpose is to serve the printing education needs of Virginia and will establish scholarships, internships, printing craftsmen training programs, and support the Virginia college system by underwriting special printing curricula.

The $100,000 donation from Dillard Paper represents one-half the initial goal. Commenting on the gift, John Dillard said, "for a great many years we have given support to the printing industry in the Carolinas. We are pleased to expand this support to Virginia where we are about to open our fifth Virginia division."

People In The News

Kenneth C. Pasfield has been elected secretary of George W. Millar & Co., a Division of GWM Industries. Also announced was the appointment of **James F. Slattery** to the board of directors of GWM Industries.

Kurt J. Pietsch has been promoted to the position of corporate operations coordinator of Inlander-Steindler Paper Company in Elk Grove Village, IL. **Andrew J. Costanza** was promoted to the position of corporate marketing manager of the company.

Carol Graham has been promoted to mill department manager and **Jim Gorski** has been named sales support/data systems supervisor at the Hillside, IL, area headquarters of Mead Merchants.

James L. Kemerling has been appointed chief executive officer of the Mosinee Paper Corporation. He continues as president of the company. **Clarence Scholtens** who held the title of CEO previously will continue to serve as chairman of the board.

William Laimbeer has been named president of Owens Illinois' Diversified Division. Previously, he was group vice president and general manager of their Forest Products Group.

Robert E. McAvoy was appointed president of the S.D. Warren Division of Scott Paper. He succeeds **C.W. Schmidt** who took early retirement. Schmidt has been named to succeed **Henry E. Russell** as president and CEO of SCA Services Inc., the nations third-largest waste disposal company. **Russell** was named chairman of the board.

DeWitte M. Yost has retired as chairman of Sorg Paper and was named as a director of the Mosinee Paper Corporation.

Robert E. Tiemeyer has become vice president of consumer packaging for Champion International. **L. Scott Barnard** was named vice president of sales for the company. He will direct planning and development of marketing for fine paper, boxboard, unbleached paper and paperboard.

William R. Laidig has been named president and director of the Great Northern Nekoosa Corporation. He succeeds **Peter F. Yacavone** who was elected vice chairman and is leaving the presidency for health reasons. Mr. Laidig is expected to succeed **Robert Hellendale** as chairman and CEO when Hellendale retires later this year.

Automated Offices Still Find Paper in File Cabinets

Paper copies of important information are still the "fail-safe" system for retaining wanted material. According to a *Wall Street Journal* article, "office planners say most workers harbor a lingering distrust that a power surge, a blackout or a human error will wipe out all the work they've entrusted to the computer."

Although computerization is doing the work of a greater number of people, office space requirements are increasing. Work space needs have grown by 30-50 percent, the article stated.

Domtar Plans $912 Million Expansion

Domtar, Inc., a Canadian paper manufacturer, plans to spend $912 million to expand and modernize two fine paper mills.

Between 1984 and 1989, the company will invest $773 million in its Windsor, Quebec plant and another $139 million in its Cornwall, Ontario mill.

It is expected that production will increase 56 percent to 700,000 tons per year in 1989 from 450,000 tons currently. Domtar is Canada's largest fine paper manufacturer holding more than 30 percent of the Canadian market.

NCR Moves Into Long Distance Services

NCR, the business forms and supplies manufacturer, has moved into the long distance services business. The formation of Heritage Communication Corporation is a joint venture between NCR Telecommunication Services, Inc., a subsidiary of NCR, and Interstate Communications, Inc. of West Point, GA.

The new company will offer long distance telephone and data transmission services. They will begin by serving the San Francisco Bay area and will expand to New York City later this year.

Fasson Builds New Plant, Reorganizes Sales/Service Operation

Fasson Roll Materials Division of Avery International will start construction on a 105,000 sq. ft. manufacturing, office and laboratory facility in Ft. Wayne, IN. The $9 million facility will be located on an 11 acre site where 97,000 sq. ft. of the building will be used to produce pressure-sensitive roll label products. Employment should reach about 125 when adhesive coating operations are at full capacity.

The firm's Specialty Materials Division has restructured its sales organization along geographic lines. Named as regional sales managers in the new structure are Jay Young (Eastern), Bill Benson (Central) and Sid Jarred (Western). The Specialty Materials Division has also established a new consolidated Marketing Services Department in its Painesville, OH headquarters.

Sun City Paper Group Elects Officers

Reiny Vogt and Joseph Thomas have been reelected president and vice president, respectively, of the Sun City Paper Group. Ruth Jameson was elected treasurer, Jack Weiner was reelected program chairman, and Brooks Hartlieb was elected calling committee chairman.

The Sun City Paper Group is an organization of retired paper industry people who live in and around Sun City, AZ.

Thomas W. Busch

Appleton Has New Chairman

John J. Hangen, chairman and chief executive officer of Appleton Papers Inc. retires on March 31, 1984 and will be succeeded by Thomas W. Busch. Busch is currently the president and chief operating officer and will keep those functions as well.

Coincident with the announcement, Charles I. McCarty, chairman of the board of BATUS Inc., announced that Busch was elected to the BATUS board of directors.

BATUS, Louisville, KY, was formed Jan. 1, 1980, to be the holding and management company for U.S. operations of B.A.T. Industries p.l.c., London, England, and Appleton became a member of the BATUS Group.

Hangen has headed Appleton Papers since Oct. 29, 1977, when he succeeded former president, John P. Reeve. At that time, Hangen was also senior vice president of the media products group of NCR Corporation, then the parent firm of Appleton.

On June 30, 1978, when Appleton Papers was acquired by B.A.T. Industries from NCR, Hangen was simultaneously appointed chairman, president and CEO of Appleton.

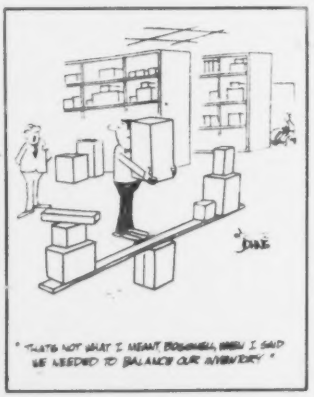
Scott Announces New International Projects

Scott Paper International, a wholly-owned subsidiary of Scott Paper Company announced the start-up of manufacturing operations in Mexico and Malaysia which cost $95 million.

Scott's 49 percent-owned Mexican affiliate Compania Industrial de San Cristobal started up a $70 million paper machine at its plant in Ecatepec. The Scott affiliate is the largest pulp and paper manufacturer in Mexico.

The new Malaysian operation is a 50% Scott-owned affiliate which manufacturers bathroom tissue, facial tissue and table napkins. The plant output is 13,000 tons per year and contains the first twin wire paper machine in Southeast Asia.

Scott feels that the market potential for paper products in Malaysia and Singapore is excellent. Scott International also announced that it will build a $52.4 million paper making facility at the company's Romagnano, Italy mill. The new paper machine will produce 60,000 tons per year of towel, bathroom and facial tissues.



NPTA

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MERCHANT BRIEFINGS

PRINTING PAPER

Magazine Growth Projected Through 1988

According to the just published update of the Printing Industries of America, Inc. (PIA) study on "The Future of Consumer Magazines: Trends and Critical Developments, 1983-1988" major companies involved in the consumer magazine industry anticipate growth in the next five years, predicting moderate increases in revenues, costs and profits within this time frame.

The study is a joint venture between PIA and Strategic Futures, Inc. (SFI), a New York based consulting firm specializing in the printing and publishing industries. It is based on in-depth interviews with 132 individuals involved in publishing, printing, advertising (advertisers), paper and graphic associations, government agencies, etc.

According to study findings, the publishing, advertising and printing respondents were optimistic and see continuing moderate growth in the economy and the consumer magazine publishing industry.

Publishing executives noted that there will continue to be a moderate shakeout among the relatively weaker titles and publications. Magazine publishing will become even more capital intensive.

Diversification activities among the consumer magazine publishers are expected to become more commonplace, with publishers having a more communications orientation, i.e., in the area of electronic publishing, i.e., cable programming, being viewed favorably as an area of opportunity rather than having threatening implications.

Bright Spot in Magazine Publishing

1982 was soft, but 1983 rebounded well in magazine publishing. 100 new titles were added to the ranks of consumer magazines and predictions for this year optimistic.

The 25 top **computer magazines** racked up a total of 66 million copies sold in 1983. There are a total of 625 worldwide computer periodicals published in English.

Editor's Note: For an industry that said it would eliminate paper, they are surely doing a fine job of generating lots of print material!

Think of all the beautiful four color brochures that accompany every computer promotion, in addition to advertising pages in the new magazines.

Social Security Cards Will Be Printed On Bank Note Paper

The all-too-familiar Social Security card will no longer be a card. The Social Security Administration has been printing new "cards" on bank note paper similar to that used for dollar bills.

According to an Associated Press report appearing in *Business Forms and Systems* magazine, the new paper makes the Social Security card difficult to duplicate. They call it "tamper-resistant."

The change will not affect those already holding cards. Replacement cards, though, will be issued on bank note paper.

Technology is Changing the Reproduction Marketplace

Cheap copiers, high-speed duplicators, laser and ink-jet printers are threatening the quick printing industry. Is the sheetfed printer's domain safe from these new office technologies?

The fascinating and complex reprographics industry is reviewed in a special report just published by the National Association of Printers and Lithographers titled "How Development in Reproduction Technology are Affecting Markets."

The new office copier technologies are making longer runs economical. It was not long ago that the rule of thumb said that when more than 50 copies were needed, the job would be sent to the print shop.

Today, it is not uncommon for an office worker to run 5,000 copies in-house. One of the reasons for this is the new, more reliable technology that has reduced down-time to less than 5% on the latest machines.

The report reviews the different types of copiers and user habits, as well as the changing priorities of business people. The faster copiers, the report states, are reducing user inventory of printed materials kept on-hand. Now, the user can "print on demand."

The report discusses how the quick printing marketplace is changing as a result of the incursion of these new office copier technologies. Also, the impact on the commercial printer is considered.

The report, "How Development in Reproduction Technologies are Affecting Markets," is available from the NPTA Communications Department at $10.00.

PIA Launches New Economic Survey

Printing Industries of America (PIA) and the Eastman Kodak Company announced the establishment of a new economic survey of the North American printing industry titled *Print Forecasts*.

Terry A. Nagi, PIA executive vice president stated, "*Print Forecasts* provides verifiable statistics regarding the direction of sales, profits and other essential issues in the printing industry . . . it is the 'Dow Jones' of our printing industry. Companies participating in this economic survey now have a statistical tool to help confirm potential opportunities and challenges."

INDUSTRIAL PAPER

Who's Eating in Restaurants?

The American food dollar is shifting from the home to restaurants, reports *American Demographics* magazine. This has been the trend since the middle 1960s, and it has kept growing.

In the early 1960s — before fast-food restaurants sprouted — 20 cents of every food dollar was spent away from home. Today, 33 cents of every food dollar is spent outside, and some project that soon will be half.

The Bureau of Labor Statistics (BLS) cites several reasons for this trend:

1. changing lifestyles; 2. economic factors; 3. the increased proportion of single-person households; 4. the greater number of working wives; 5. the prevalence of school lunch programs; and, 6. the spread of fast-food chains.

BLS noted that while 30% of a four person household's food budget is spent away from home, single-person households spend 45% of their food budgets in restaurants.

Plastic Bags That Taste Bad

It seems at first that no one would care how good or bad a can liner tastes, but someone does. According to *Inside R&D*, chemists have developed a new compound that they claim is the "bitterest substance in the world."

It's called denatonium saccharide and is five times more bitter than denatonium benzoate, the previous record holder. The substance repells beavers and woodpeckers and other vermin from garbage cans when incorporated in the manufacture of plastic bags.

How To Fight the Cold and Flu Season — Use Disposables

For the third straight year, the Single Service Institute has sent local health officers a "model" press release for their use with the public. The release informs people of the precautions that can be taken to prevent illness from spreading.

One way to fight these germs is the use of disposables: "Serving food and beverages in paper and plastic disposable plates, cups and bowls, used only once by one person and then discarded, can help reduce the risks of cross infection."

A New Resource On Non-Woven Fabrics Is Available

There are 11 different methods currently used to form non-woven materials. A new sampler demonstrating these technologies has just been made available.

INDA, the association of the Non-woven Fabrics Industry, has published a sampler containing 11 swatches with a brief description of each and a list of end uses for each type.

The technologies included are: Dry Formed (unidirectional), Dry Formed (isotropic), Wet Formed, Needle-punched, Spunbounded, Spunlaced, Film Extruded, Melt Blown, Composite, Thermal Bonded, and High Loft.

The sampler is $3.50 from INDA, 1700 Broadway, New York, NY 10019.

Packaging film on cable

Those who have cable television hook-ups carrying the U.S. Chamber of Commerce's BizNet Network can watch for the National Paperboard and Packaging Association's film *Packaging Versatility Unlimited*.

Stock footage of the film will also be used to illustrate pertinent stories in the Chamber's daily news program "BizNet News Today."

Market Report: Multiwall Bags

The recession drove many manufacturers out of business in the past five years, but the survivors, states the Paper Shipping Sack Manufacturers' Association (PSSMA), are here to stay.

Reporting in the latest issue of *Multiwall Monitor*, PSSMA notes that Crown Zellerbach, a major manufacturer, closed its two plants and left the multiwall business in 1982. Other closings included: Hoerner Waldorf's Des Moines, IA plant; St. Regis in Houston, TX, Omaha, NE, Tacoma, WA, and Union City, CA; Gilman in St. Louis, MO; Manville's West Monroe, LA operation, and the Bemis plant in Houston, TX.

Since 1981, US multiwall capacity dropped from 6.5 billion bags per year to 3.5 billion as operating rates were down to 50-55%.

Now that the shakeout is over, states PSSMA, operating rates are climbing. Orders are expected to increase rapidly. The only hitch they see could be in the availability of kraft paper.

What is PSSMA?

The Paper Shipping Sack Manufacturers' Association (PSSMA) represents 95% of its industry. The organization provides members with statistical information of the industry, seminars on management and production, and gives members technical information on the industry.

PSSMA recently celebrated its 50th Anniversary. It began in 1933 as the Rope Paper Sack Manufacturers' Association. In 1951, the organization changed its name to the one known today to reflect the changing nature of the raw materials used in the industry's products.

The Association is optimistic about 1984 for its members. They see that the paper shipping sack has some outstanding qualities that make it a most desirable choice.

Sales success - managing the selling function

A recent survey of a number of trade associations sought to find out why sales reps fail. The results revealed a number of interesting reasons.

1. The reps who didn't make the grade frequently lacked initiative. This was the most frequently cited reason for failure - and perhaps the most difficult to cure.
2. Failing salespeople planned poorly (if at all) and were badly organized. An easier one to do something about? Not so.
3. Below-average reps didn't possess adequate product knowledge. This, of course, is the most commonly voiced complaint of sales managers everywhere. And yet it seems that at least part of the responsibility for hammering product knowledge into salespeople's heads rests with the very managers who usually complain the most!
4. Poor reps lack enthusiasm, said many of the sales managers.

Among other reasons for failure listed were:

- Lack of customer orientation;
- Lack of proper training.

Based on conversations with many paper merchant sales managers, one common area of concern is how to convince sales reps that proper product knowledge and sales training will produce consistently good results.

Success in selling

A glib tongue, a firm handshake and a repertoire of off-color jokes have moved plenty of products. Thankfully, those days are gone. Today's successful sales rep has to be more than a glad-hander if he wants to succeed in the fast-changing competitive marketplace.

So says Xerox Learning Sytems, which studied 500 sales calls by 24 organizations to find out what works. According to their study, the rest of the sales rep stereo-type doesn't fit either. Neither the salesperson's age, sex, education nor experience seems to matter, states the report.

"What matters is the ability to use certain skills and to avoid certain errors," states Mike Radick, Xerox development specialist.

The study suggests the following rules of sales behavior:

1. Plan an approach in advance, but don't overwhelm the customer with a product-benefit harangue.
2. Think less about selling than conversing. Ask questions to determine the customer's needs and let the customer respond.
3. If the customer registers objection, skepticism or indifference, don't gloss over it. Determine the root of the problem. When candidly addressed, a customer's objection can end up helping the sale.
4. Don't keep selling after the customer has been sold. He might change his mind.

Developing an effective sales team

Developing effective sales management must be the first step to controlling and upgrading the sales force. Without sales management follow through, even brilliant programs and strategies fail.

Having follow through keeps salespeople persistently focused on selling or training objectives until success is achieved. the successful sales manager must focus time on priority skill development, target salespeople and target accounts.

To coordinate and implement a successful training program, the sales manager must have high energy, a desire to learn, to manage and to be managed. Natural interpersonal skills are a must and should be supplemented with formal training. He/she must be able to establish a rapport with and the cooperation of much of the sales force over time.

Also, he/she must be a successful salesperson to have credibility with other salespeople. Confidence, enthusiasm about what he/she is coaching, and basic knowledge about the company, the product line, the competition, are also important. Finally, an ability to articulate how to sell is necessary. Being a good playing pro is only half the story; being a good teaching pro is the other half.

If a sales manager matures into new areas of responsibility, then supervision may have to increase to help him master new challenges. It is important to note that the initial morale, cooperation and mix of the saleforce will affect the rate that the sales manager will be able to assume control of more salespeople, together with his effectiveness in being able to successfully train them.

D. Bruce Merrifield of Merrifield

Consulting Group recently noted, "As a direct measure for increasing salesmen's understanding and co-operation, have business review sessions. Make factual, numerical presentations of company problems that illustrate the need for change. Repeatedly, sell longer term company objectives and the short-term measures that the salesmen must puruse to help the cause.

"Point out the need for the company to be strong, because everyone will do only as well as the company in the long-run. Management must steadily assert ever greater formal direction and control over sales management activities which will gradually shape the sales force into a team."

NPTA sales development conference

The Association recently held a conference in Atlanta which addressed the issue of developing good sales management techniques through five workshops. Janice Kriegman, marketing manager of J.B. Papers of Union, NJ, said:

"Our sales meetings have tended to be largely one-way: management *telling* the salesforce. There has been little information flow the other way; consequently, there has been very little feedback from the marketplace and even less training value to these meetings.

"The workshop gave specific techniques to increase participation at sales meetings, namely, the use of pre-meeting assignments, presentations by sales reps, subgroup exercises, and role playing. These techniques were explained, both their uses and *mis*uses, and each was rather effectively demonstrated. The leader discussed how to begin, pitfalls to avoid and how to maintain the momentum. Moreover, the interchange among the participants was invaluable in exploring mutual problems with a common situation."

"I found the workship on 'Transition from Selling to Managing' to be very interesting and informative," said Kathy Brooks, human resources manager of Copco Papers, Columbus, OH. "The seminar leader had a unique way of blending together both practical and textbook theory; end result being a very usable interpretation of how to work with and assist those employees experiencing a transition from selling to managing."

Mike Warren, director of training, of Zellerbach Paper in San Francisco found value in the workshop on upgrading the skills of inside people. "The workshop 'How to Turn Your Inside Order Desk People Into an Effective Sales Team' allowed me to gain valuable insights into telemarketing as opposed to just telephone sales. These insights correlate well with our 1984 goals in this valuable and expanding sales area. The workshop was unusually pragmatic and the information, procedures and tips received will help expedite Zellerbach Paper Company's move into the telemarketing function."

Chris H. Strassburger, Director of Management Development for Distribix said "The essence of any management level is getting things done through the efforts of other people. However, we are all aware of the difficulty involved in motivating today's sales force.

"In general, what motivates people to work effectively is a challenging job that allows a sense of achievement, responsibility, growth, advancement, enjoyment of the work itself, and earned recognition. It is the sales manager's responsibility to take the salesman's *ability*, knowledge about products, people and procedures, and his skills of selling, planning, and communicating, and add to that his *motivation* of basic desires like security and awareness, and attitudes of reliability, confidence and aggressiveness to obtain the salesperson's maximum performance.

"By using the MBO (Management by Objectives) process, it can provide both the salesman and sales manager the direction needed to accomplish this performance."

Dennis Weaver, vice president, manager of sales at the Brewer-Chilcote Division of Cordage Paper in Cleveland, OH said that "What was introduced in that seminar were ideas and principles most managers are aware of and utilize to some extent in their day-to-day activities, however, these principles were drawn together in an organized format to help a sales manager develop the neophite, the experienced, and the heavy hitter salesperson.

"The highlights were how to determine a major account, how specific goals can be established for each specific account, and a written format for logging progress. The key is writing down account goals, definitions of customer background, product potential, and an action plan. It's necessary that both sales manager and salesperson have a concrete understanding of what's achievable at a major account and can both have a standard to judge performance by."

Selling, as an art, must be learned. Once mastered, its practitioners must be managed to continually improve their craft.

The successful sales rep

The Xerox study pointed to the average successful sales call where the sales rep:

- conducted a 33 minute long meeting
- asked 13.6 questions
- described 7.7 products and/or features
- touted 6.4 product benefits
- answered 7.7 questions
- answered 2.2 specific customer needs
- responded to one objection.

The Greatest Collection Tool Ever Invented - The Telephone

AT&T is right. They always said that your telephone can save you money. When you are in the telephone business, you have to say things like that; but when it comes to getting those overdue accounts to pay-up, AT&T speaks the truth.

Collection calls that are not well planned may not pay-off. Slow-paying customers must be handled in a way that will bring in their payments while retaining them as customers. What's more, you may be able to build the supplier-customer relationship and improve sales at the same time.

You have to be ready for a customer's problems. Ad-libbing a collection call, AT&T says, may bring responses such as *"Oh, I didn't realize we were behind. I'll have a check sent today."* or *"Didn't you get our check?"* or *"Sorry, it will be impossible to pay you this month. Business has been off. But I'll do something about it next month."*

It's a good bet that the check isn't in the mail and won't be. Then, what should you do? The answer involves doing your homework. But, where do you begin to make your telephone pay off?

Before you call

Before anyone in your company picks up the telephone to call a customer about a bill, be sure of the facts. Have the records.

According to an AT&T article which appeared in *Construction Equipment Distribution* magazine, pre-call planning should take into consideration the following seven areas:

1. Is your company at fault? Were shipments made? Were the returns not credited? Have late payments been noted?

2. Were there previous collection efforts? Letters? Personal visits? When? What results?

3. What is the customer's payment history? How often are payments overdue? Is the problem seasonal?

4. Who is the right person to talk with? Talk to the person responsible for paying that bill.

5. Determine a payment plan. Design a tentative schedule of payments that will bring the overdue accounts up-to-date in a reasonable time.

6. Prepare an opening statement. The credit person will be doing all the talking during the first 15-20 seconds. The opening should be pleasant, confident, relaxed, but should leave no doubt about the seriousness of the matter.

7. Perpare fact-finding questions. Make them open-ended. Let the customer provide detail to help illuminate the situation.

The collection call

After preparing as described above, the phone call is placed. Remember, the object is to obtain the payment and retain the customer's good will.

The following steps, taken in order, should help you be successful:

1. Be sure you have the right person on the telephone. Talk to him by name. Don't rush the opening. Make a good impression.

2. Give the reason for calling. State the situation simply and clearly.

3. Make a strategic pause. This shifts the conversational burden to the customer. Make the customer explain.

4. Ask fact-finding questions. These will prompt detailed responses. Answers here will give the caller a sense of the customer's ability to pay and possible payment schedules.

5. Bridge to a payment plan. Focus should shift to how the account can be brought up-to-date. You are usually not asking for full and immediate payment, and this will give the customer confidence.

6. Prepare the payment plan. Set specific payments and time periods. Try to be flexible and considerate.

7. Overcome objections. Most objections are postponements or reasons why the customer cannot agree to terms now. Try to work out solutions that suit all.

8. Close the call. Summarize the details of the plan and thank the customer.

Follow-up

You may feel great after the call, but you cannot take that to the bank. Follow-up. Here's a system:

1. Record notes. During the call, the payment schedule must be recorded and verified with the customer.

2. Update records. Keep account records clear and current which will help with future calls.

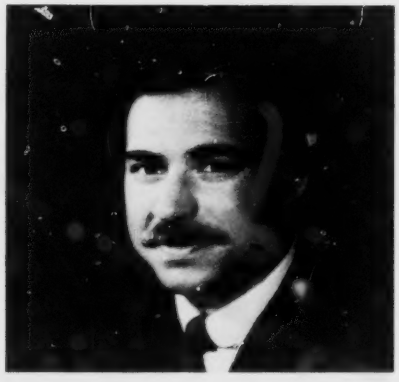
3. Take action. If payments do not arrive on schedule (or within a few days), make another call. DO NOT IGNORE THE OVERDUE PAYMENT OR IT MAY TURN INTO A BAD DEBT.

Being a good collector breeds customer confidence. Your credit and collections policies tell much about your company. So, plan, execute, and follow through and reduce the size of the bad debt write-off.

NPTA enlarges staff and brings aboard new directors

The Director of Marketing Membership Services is a new position for the NPTA headquarters staff. Appointed to the post in December is a veteran association manager: Richard J. Lerman. Filling the vacant position of Director of Research is John LaRosa.

Mr. Lerman comes to NPTA from The National Association of Tobacco Distributors (NATD) where he held various positions for seven years. Prior to joining NATD, Mr. Lerman was publisher of a local weekly magazine. His other previous experiences include working with the American Institute of Physics (an association of scientists and professors), and he held positions with other advertising, public and trade relations firms.



Richard J. Lerman

Mr. Lerman joined NATD in 1977 as art and advertising director, and in 1978 was appointed to the staff position of Executive Secretary of the Young Executives Division of the Association. In 1980, he was elected to the position of Secretary of the Division, a post previously held only by members.

A year later, Mr. Lerman was elected to the additional position of Executive Secretary of the NATD Executive Management Division (composed of all members over the age of 40), and received the CCEM (Certified Convention and Exhibition Manager) certificate from the American Society of Association Executives.

In 1982, Mr. Lerman was presented the "Outstanding Young Executive" Award by Philip Morris U.S.A. He was the first non-distributor to receive the company's award for outstanding contribution to the Association's young executive's work.

"Rich has an excellent breadth of experience in providing association services," stated John J. Buckley, Jr. NPTA President. "He will be able to draw upon his experiences to help NPTA improve its service package and to market that service package to those merchant firms who are not yet members of NPTA."

Mr. Lerman received his Bachelor's degree in Advertising from the C.W. Post College and has completed graduate work in advertising at New York University.

John S. LaRosa, NPTA's new Director of Research, comes to NPTA with seven years of experience in marketing research, international marketing and marketing management. Prior to joining NPTA in November, he worked with three New York corporations: a market research report publisher, a high-technology filter manufacturer, and a laboratory instruments distributor.

Mr. LaRosa performed market research, coordinated direct mail programs, administered sales incentive plans, and developed sales marketing mail lists and computer databases for Brinkmann Instruments (Sybron Corp.) from 1981-83. From 1979-81, he also assisted the vice president of international marketing at the Pall Corp. to locate and evaluate new stocking distributors in the Far East. He was also involved in the development of sales action plans targeted at potential end-users.

His other experience includes customized management consulting projects in various consumer and industrial goods markets. Mr. LaRosa is a published author of over 40 economic-marketing-financial industry reports analyzing such sectors as: heavy machinery, steel, electronic components, sporting goods, others.

John S. LaRosa

Mr. Buckley said that "John's research background and industry analysis will help NPTA focus its statistical services. Members want more information from the Association in the financial, economic, and marketing areas and John is already working aggressively to provide this information."

John LaRosa has a Bachelor's degree in Education from the State University of New York and an M.B.A. in Marketing from Hofstra University, New York.

Mr. Buckley went on to say that the new additions to the staff gives all NPTA managers a "marketing focus." The services that the Association provides "do no good sitting on a shelf," Mr. Buckley said. "Good programs start with an awareness of member needs. Then, the Association programs which are put in place must come to the members' attention before they can be used.

"We are all in the 'marketing' business, and I think we have built a team that will not only help create new products and services," said Mr. Buckley, "but will successfully market those products and services to those who will be best served by them — the members."

MANAGEMENT INFORMATION

Recent trends in merchant sales and inventory

According to the U.S. Department of Commerce, total sales by paper and paper products merchant wholesalers for the 10-month period January-October were up 7.3% in 1983. This is lower than the average sales gains of 11.1% for all non-durable goods and 14.1% for total merchant wholesaler trade.

By comparison, NPTA-calculated sales per selling day for this 10-month period were up 5.6% for industrial paper (vs. the Bureau of Labor Statistics - BLS - producer price index increase of 0.3%), and 10.3% for printing paper (vs. BLS increase of 2.5%).

The value of inventories as of October 1983 was 13.6% higher than the prior year. Consequently, the sales/inventory ratio fell significantly from 12.65 to 9.21 in 1983, a positive sign that merchants are "running leaner" and not allowing inventory build-ups to occur.

Nearly 98% of total sales of paper and paper products by wholesalers in

Selected Sales, Inventory, and Tax Statistics of Paper and Paper Products Merchant Wholesalers 1981-83 Trends

(SIC 511)

Estimated Sales, Inventories, Sales/Inventory Ratios of Paper and Paper Products Merchant Wholesalers

Sales ($ Millions)				Inventories ($ Millions)				Sales/Inventory Ratio		
1981	1982	1983	Percent Change[2]	1981	1982	1983	Percent Change[2]	1981	1982	1983
23,603	23,979	20,345[1]	+7.3[1]	1,971	1,895	2,209[2]	+13.6[2]	11.98	12.65	9.21[1]

[1] Cumulative 10-month total, through Oct. 1983. Percent change based on change over 10-month total for 1982.
[2] Value of inventories as of Oct. 1983. Percent change is a comparison of 1983 October value to 1982 October value.

Estimated Sales and Inventories of Merchant Wholesalers by Legal Form of Ownership: 1982

Sales	Total Sales ($ Million)	Percent of Total: Individual Proprietorships	Partnerships	Corporations
All Merchant Wholesalers:	1,137,175	1.7	1.4	90.5
Non-durable goods:	670,068	1.7	1.7	86.4
Paper and Paper Products:	23,979	0.5	0.7	97.6
Inventories (End-of-year)				
All Merchant Wholesalers:	116,765	1.7	1.3	92.0
Non-durable goods:	41,132	1.0	1.6	85.0
Paper and Paper Products:	1,895	0.8	0.7	97.3

Note: Total percentage may not add to 100.0%. Other forms of ownership are not shown, including cooperative associations, governments, etc.

Methods of Inventory Valuation Used: 1982

(Percent of Estimated Inventory)

	Cost Method					Market Method	
	FIFO	LIFO	Average[1]	Specific[2]	Other	Market Method Always Used[3]	Market Lower Than Cost[4]
All Merchant Wholesalers:	29.5	27.1	12.1	18.7	0.7	9.1	2.9
Non-durable goods:	31.8	26.4	9.9	13.9	0.5	15.3	2.1
Paper and Paper Products:	38.9	27.1	9.4	13.1	0.0	5.9	5.6

[1] Method of accounting that divides total cost of goods available for sale by number of units available for sale.
[2] Method of accounting that determines cost of inventory by specific purchases.
[3] Method of accounting that values inventory at current prevailing market cost.
[4] Method of accounting that values inventory at market price if market value is lower than cost. For inventories with cost values less than market value, cost method is used.

SOURCE: Monthly and annual editions of Current Business Reports - Monthly Wholesale Trade, U.S. Dept. of Commerce.

1982 were accounted for by corporations. Sole proprietorships and partnerships together comprised little more than 1% of sales volume. This percentage is even higher than the average in "total non-durable goods" (86%) and "all merchant wholesalers" (90.5%). The same is true of end-of-year inventories' value - 97% for paper products versus 85% and 92%, respectively.

As for methods of inventory valuation, paper merchants predominantly use the FIFO method - nearly 39% of estimated 1982 inventories were valued this way, much higher than the 29% figure for all merchant wholesalers.

LIFO is the next most popular method at 27%. By comparison, the 1983 survey of industry performance determined that 41% of dual merchants used LIFO, 37% for industrial paper merchants and 36% for printing paper (median figure of return on total assets - ROTA groups).

This LIFO percentage will probably continue to rise as more merchants realize the advantages inherent in this method - namely, reduced book profits and taxes, resulting in increased cash flow.

Chairman's Corner

LIONEL ELTIS
NPTA's Chairman of the Board

Sales Compensation

When two or more paper merchants get together to talk, they will invariably end up discussing sales compensation. There is a very good reason for this — the cost of selling is the largest single expense item that they have.

In my opinion, a compensation plan for outside salespeople must motivate, must reward for performance, must be fair to the salesperson and fair to the house. Historically, most merchants have compensated their salespeople with a percentage of the gross profit. There is no standard as some merchants pay different rates for city sales and out-of-town sales, and most have some type of add-on to cost.

Using a percentage of gross trading margin as the basis for remuneration is probably the easiest for everyone to understand. The trend in other wholesale operations seems to be getting away from straight commission and adopting some type of commission plus fixed salary plan.

Basically it is difficult for the merchant to control his salesforce and direct them about where, how, and what to sell when he pays them only on a straight commission basis.

There are some very innovative ideas in sales compensation. Probably one of the most unique is a plan that varies the rate of commission paid on the gross profit, based on the size of the order and the percentage of gross profit generated. A large volume order, carrying 25-40 percent gross trading margin could reward the salesperson with almost double the commission rate of a small order with a low gross trading margin.

We all know what is best for us and we have attended seminars and had convention sessions on this subject. We need to investigate this because our marketplace and products are changing.

One caution: If you decide to make a change in your compensation program, you should do your homework. Be sure you are correct and keep your salesforce informed of progress in developing the plan. Sell them on the benefits of the plan before it is implemented. Nothing can destroy morale more than changing a compensation plan without discussing it with the sales force in advance.

Calendar Of Events

February

8. 80th Anniversary Banquet of the Paper Trade Association of Philadelphia held at the Philadelphia Airport Hilton Inn. Contact PTA at 215-564-3484.

9-10. Productive Marketing Management For Paper Wholesalers. An operationally efficient and effective approach to recapturing profitable sales growth. St. Louis, MO. Contact NPTA.

March

3. Garden State Paper Trade Association 25th Anniversary dinner dance, Aspen Manor, Parsippany, NJ. Contact Paul Hirsch at 201-823-1100.

11-14. *Paper Week*. API Conference in NYC. Contact API at 212-340-0600.

22-24. Southwestern Paper Merchants Association meetings. Contact Banks Miller at 512-452-4571.

Sales and Time Management Training

Professional Selling Skills III (PSSIII) and Managing Time and Territory III (MTTIII) on-site training may be arranged on an individual company basis. Flexible time and pricing schedules are available. Contact the NPTA Education and Training Department.

The Manager's Notebook

Decoding letters of reference

The choice of words and phrases makes a difference. When you read a letter of reference, do you know what the writer is **really** *saying about the candidate? Often, his words disguise some hidden truths. Personnel consultant E. James Brennan, writing in the* Personnel Journal *as appeared in* Associated Trends, *pointed to a number of interesting examples:*

Code Words	Translation
"Careful thinker"	*Won't make a decision*
"Strong principles"	*Stubborn*
"Spends extra hours on the job"	*Miserable home life*
"Average employee"	*Not too bright*
"Active socially"	*Drinks too much*
"Zealous attitude"	*Opinionated*
"Takes pride in his work"	*Conceited*
"Uses logic on hard problems"	*Finds another to do the job*
"Forceful"	*Argumentative*
"Conscientious"	*Scared*
"Meticulous attention to detail"	*Nitpicker*
"Of great value to the organization"	*Gets to work on time*
"Has leadership qualities"	*Is tall or has a loud voice*

Top business leaders have traits in common

1. *A compelling vision*
2. *Ability to communicate this vision*
3. *Consistency: They stay on course*
4. *Positive self-regard: They know their worth*
5. *The ability not to dwell on failure, but to move on and live in the present.*

How managers say what they mean

Managers convey meaning not just by what is said, but by how they say it. Steven Vogler, the originator of "powerspeak," says that people can convey authority by their choice of words.

For example, even factual statements such as "four or five books" shows that the speaker is indecisive. Rather, one should confirm the certainty of the facts and say "five books."

How many times has one said, "I'm probably wrong, but..." Or, "I'll try," instead of "I will." Vogler also says to avoid pauses filled with "um" or "uh." These fillers show the one talking to be unprepared and vulnerable.

Do you have intrepreneurs working for you?

No, that's not a misprint. Intrepreneur *is a new word used to describe the freedom some employees have to function as free market entrepreneurs within the corporation (within limits, of course). The purpose is to motivate those managers to out perform the standards.*

Have you ever heard of "employee discretionary time"? Another new concept. After your employees finish the tasks they are expected to complete, how do they spend company time? That time can be channeled into new projects, or intrepreneurial efforts. (The big assumption in this concept is that people have time to spare!)